



General Assembly

Substitute Bill No. 6567

January Session, 2013



**AN ACT CONCERNING DEPARTMENT OF REVENUE SERVICES
PROCEDURES REGARDING PENALTY WAIVERS, PERSONNEL
PROCEEDINGS, SALES TAX PERMITS AND LICENSE RENEWALS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-3a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2013*):

3 (a) There is created a Penalty Review Committee which shall consist
4 of the State Comptroller or an employee of the office of the State
5 Comptroller designated by said Comptroller, the Secretary of the
6 Office of Policy and Management or an employee of the Office of
7 Policy and Management designated by said secretary and the
8 Commissioner of Revenue Services or an employee of the Department
9 of Revenue Services designated by said commissioner. Said committee
10 shall meet monthly or as often as necessary to approve any waiver of
11 penalty in excess of one thousand dollars which the Commissioner of
12 Revenue Services [, or the Commissioner of Consumer Protection,] is
13 authorized to waive in accordance with this title, [which is in excess of
14 five hundred dollars] or which the Commissioner of Consumer
15 Protection is authorized to waive in accordance with chapter 226. A
16 majority vote of the committee shall be required for approval of such
17 waiver.

18 (b) An itemized statement of all waivers approved under this

19 section shall be available to the public for inspection by any person.

20 (c) The Penalty Review Committee created pursuant to subsection
21 (a) of this section shall adopt regulations in accordance with chapter 54
22 establishing guidelines for the waiver of any penalty in excess of [five
23 hundred] one thousand dollars.

24 (d) Any person aggrieved by the action of the Penalty Review
25 Committee may, within one month after notice of such action is
26 delivered or mailed to such person, appeal therefrom to the superior
27 court for the judicial district of New Britain, which shall be
28 accompanied by a citation to the members of said committee to appear
29 before said court. Such citation shall be signed by the same authority,
30 and such appeal shall be returnable at the same time and served and
31 returned in the same manner as is required in case of a summons in a
32 civil action. The authority issuing the citation shall take from the
33 appellant a bond or recognizance to the state of Connecticut with
34 surety to prosecute the appeal to effect and to comply with the orders
35 and decrees of the court in the premises. Such appeals shall be
36 preferred cases, to be heard, unless cause appears to the contrary, at
37 the first session, by the court or by a committee appointed by it. Said
38 court may grant such relief as may be equitable. If the appeal is
39 without probable cause, the court may tax double or triple costs, as the
40 case demands; and, upon all such appeals which may be denied, costs
41 may be taxed against the appellant at the discretion of the court, but no
42 costs shall be taxed against the state.

43 Sec. 2. Subsection (b) of section 12-15 of the general statutes is
44 repealed and the following is substituted in lieu thereof (*Effective from*
45 *passage*):

46 (b) The commissioner may disclose (1) returns or return information
47 to (A) an authorized representative of another state agency or office,
48 upon written request by the head of such agency or office, when
49 required in the course of duty or when there is reasonable cause to
50 believe that any state law is being violated, or (B) an authorized

51 representative of an agency or office of the United States, upon written
52 request by the head of such agency or office, when required in the
53 course of duty or when there is reasonable cause to believe that any
54 federal law is being violated, provided no such agency or office shall
55 disclose such returns or return information, other than in a judicial or
56 administrative proceeding to which such agency or office is a party
57 pertaining to the enforcement of state or federal law, as the case may
58 be, in a form which can be associated with, or otherwise identify,
59 directly or indirectly, a particular taxpayer except that the names and
60 addresses of jurors or potential jurors and the fact that the names were
61 derived from the list of taxpayers pursuant to chapter 884 may be
62 disclosed by the Judicial Branch; (2) returns or return information to
63 the Auditors of Public Accounts, when required in the course of duty
64 under chapter 23; (3) returns or return information to tax officers of
65 another state or of a Canadian province or of a political subdivision of
66 such other state or province or of the District of Columbia or to any
67 officer of the United States Treasury Department or the United States
68 Department of Health and Human Services, authorized for such
69 purpose in accordance with an agreement between this state and such
70 other state, province, political subdivision, the District of Columbia or
71 department, respectively, when required in the administration of taxes
72 imposed under the laws of such other state, province, political
73 subdivision, the District of Columbia or the United States, respectively,
74 and when a reciprocal arrangement exists; (4) returns or return
75 information in any action, case or proceeding in any court of
76 competent jurisdiction, when the commissioner or any other state
77 department or agency is a party, and when such information is directly
78 involved in such action, case or proceeding; (5) returns or return
79 information to a taxpayer or its authorized representative, upon
80 written request for a return filed by or return information on such
81 taxpayer; (6) returns or return information to a successor, receiver,
82 trustee, executor, administrator, assignee, guardian or guarantor of a
83 taxpayer, when such person establishes, to the satisfaction of the
84 commissioner, that such person has a material interest which will be
85 affected by information contained in such returns or return

86 information; (7) information to the assessor or an authorized
87 representative of the chief executive officer of a Connecticut
88 municipality, when the information disclosed is limited to (A) a list of
89 real or personal property that is or may be subject to property taxes in
90 such municipality, or (B) a list containing the name of each person who
91 is issued any license, permit or certificate which is required, under the
92 provisions of this title, to be conspicuously displayed and whose
93 address is in such municipality; (8) real estate conveyance tax return
94 information or controlling interest transfer tax return information to
95 the town clerk or an authorized representative of the chief executive
96 officer of a Connecticut municipality to which the information relates;
97 (9) estate tax returns and estate tax return information to the Probate
98 Court Administrator or to the court of probate for the district within
99 which a decedent resided at the date of the decedent's death, or within
100 which the commissioner contends that a decedent resided at the date
101 of the decedent's death or, if a decedent died a nonresident of this
102 state, in the court of probate for the district within which real estate or
103 tangible personal property of the decedent is situated, or within which
104 the commissioner contends that real estate or tangible personal
105 property of the decedent is situated; (10) returns or return information
106 to the (A) Secretary of the Office of Policy and Management for
107 purposes of subsection (b) of section 12-7a, and (B) Office of Fiscal
108 Analysis for purposes of, and subject to the provisions of, subdivision
109 (2) of subsection (f) of section 12-7b; (11) return information to the Jury
110 Administrator, when the information disclosed is limited to the names,
111 addresses, federal Social Security numbers and dates of birth, if
112 available, of residents of this state, as defined in subdivision (1) of
113 subsection (a) of section 12-701; (12) pursuant to regulations adopted
114 by the commissioner, returns or return information to any person to
115 the extent necessary in connection with the processing, storage,
116 transmission or reproduction of such returns or return information,
117 and the programming, maintenance, repair, testing or procurement of
118 equipment, or the providing of other services, for purposes of tax
119 administration; (13) without written request and unless the
120 commissioner determines that disclosure would identify a confidential

121 informant or seriously impair a civil or criminal tax investigation,
122 returns and return information which may constitute evidence of a
123 violation of any civil or criminal law of this state or the United States to
124 the extent necessary to apprise the head of such agency or office
125 charged with the responsibility of enforcing such law, in which event
126 the head of such agency or office may disclose such return information
127 to officers and employees of such agency or office to the extent
128 necessary to enforce such law; (14) names and addresses of operators,
129 as defined in section 12-407, to tourism districts, as defined in section
130 10-397; (15) names of each licensed dealer, as defined in section 12-285,
131 and the location of the premises covered by the dealer's license; (16) to
132 a tobacco product manufacturer that places funds into escrow
133 pursuant to the provisions of subsection (a) of section 4-28i, return
134 information of a distributor licensed under the provisions of chapter
135 214 or chapter 214a, provided the information disclosed is limited to
136 information relating to such manufacturer's sales to consumers within
137 this state, whether directly or through a distributor, dealer or similar
138 intermediary or intermediaries, of cigarettes, as defined in section 4-
139 28h, and further provided there is reasonable cause to believe that such
140 manufacturer is not in compliance with section 4-28i; (17) returns,
141 which shall not include a copy of the return filed with the
142 commissioner, or return information for purposes of section 12-217z;
143 [and] (18) returns or return information to the State Elections
144 Enforcement Commission, upon written request by said commission,
145 when necessary to investigate suspected violations of state election
146 laws; and (19) returns or return information for purposes of, and
147 subject to the conditions of, subsection (e) of section 5-240, as amended
148 by this act.

149 Sec. 3. Section 5-240 of the general statutes is amended by adding
150 subsection (e) as follows (*Effective from passage*):

151 (NEW) (e) (1) As provided in subsection (b) of section 12-15, as
152 amended by this act, the Commissioner of Revenue Services may,
153 subject to such terms and conditions as said commissioner may

154 prescribe, disclose return or return information, as defined in said
155 section 12-15, in connection with a personnel proceeding, including
156 any administrative or judicial proceedings related thereto, involving
157 an employee or former employee of the Department of Revenue
158 Services, if said commissioner determines that such information is
159 relevant and material to such proceeding. If such return or return
160 information is relevant and material to such proceeding, the
161 commissioner shall, upon request made by the employee or former
162 employee who is the subject of such proceeding, disclose such return
163 or return information to such employee or former employee, or the
164 collective bargaining agent for such employee or former employee,
165 regardless of whether the commissioner introduces or otherwise relies
166 upon such return or return information during the course of the
167 proceeding. Return and return information disclosed under this
168 subsection shall be used only for purposes of and to the extent
169 necessary in such proceeding and shall not be further disclosed by any
170 person involved in such proceeding.

171 (2) Any person who violates any provision of this subsection shall
172 be fined not more than one thousand dollars or imprisoned not more
173 than one year, or both.

174 Sec. 4. Subsection (h) of section 12-409 of the general statutes is
175 repealed and the following is substituted in lieu thereof (*Effective July*
176 *1, 2013*):

177 (h) (1) Any person who knowingly violates any provision of this
178 section shall be fined not more than five hundred dollars or
179 imprisoned not more than three months or both for each offense.

180 (2) Any person who fails to secure or renew a permit as provided in
181 this section shall be subject to a civil penalty of two hundred fifty
182 dollars for the first day such person engages in or transacts business
183 without a permit and one hundred dollars for each subsequent day
184 such person engages in or transacts business without such permit.
185 Subject to the provisions of section 12-3a, as amended by this act, the

186 commissioner may waive all or any part of the civil penalty provided
 187 in this subdivision if it is proven to the commissioner's satisfaction that
 188 the failure to secure or renew such permit was due to reasonable cause
 189 and was not intentional or due to neglect.

190 Sec. 5. (NEW) (*Effective July 1, 2013*) (a) For purposes of this section,
 191 "license" means (1) any license issued by the commissioner pursuant to
 192 the provisions of chapter 214 of the general statutes, (2) any license
 193 issued by the commissioner pursuant to the provisions of section 12-
 194 330b of the general statutes, or (3) a seller's permit issued by the
 195 commissioner pursuant to section 12-409 of the general statutes, as
 196 amended by this act.

197 (b) Prior to issuing or renewing the license of any person, the
 198 commissioner may determine whether such person owes taxes to this
 199 state, which taxes are finally due and payable and with respect to
 200 which any administrative or judicial remedies, or both, have been
 201 exhausted or have lapsed. If the commissioner determines that such
 202 person owes such taxes, the commissioner shall not issue a license to,
 203 or renew the license of, such person, until such person pays such taxes,
 204 or makes an arrangement satisfactory to the commissioner to pay such
 205 taxes.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2013</i> | 12-3a |
| Sec. 2 | <i>from passage</i> | 12-15(b) |
| Sec. 3 | <i>from passage</i> | 5-240 |
| Sec. 4 | <i>July 1, 2013</i> | 12-409(h) |
| Sec. 5 | <i>July 1, 2013</i> | New section |

FIN *Joint Favorable Subst.*

JUD *Joint Favorable*